

Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)

Revision of)

Filing Requirements)

CC Docket No. 96-23

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Reply Comments of Citizens for a Sound Economy Foundation

Citizens for a Sound Economy Foundation (CSE Foundation) strongly supports the revision of filing requirements proposed by the Commission in the above-referenced proceeding. CSE Foundation is a nonprofit research and educational organization with 250,000 members and supporters in every state in the country. We have been active in a number of telecommunications policy concerns since 1988, addressing issues such as price regulation, universal service, interconnection, and use of the electromagnetic spectrum.

In the present proceeding, the Commission considers a number of filing requirements to be reduced in frequency or eliminated entirely. CSE Foundation believes that this type of decreased regulatory burden provides an important step towards meeting the goals for reform mandated by the Telecommunications Act of 1996. We stress that such revisions should only be considered as the first of many steps toward reform, and we urge the Commission to promptly implement the proposals presented in this proceeding.

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Citizens for a Sound Economy Foundation applauds the Commission's review of the many filing requirements faced by both local and interexchange carriers. Providing relief from burdensome and unnecessary regulation is, as the Commission has noted, an important part of the President's Regulatory Reform Initiative.¹ Such reform is also a requirement of the Telecommunications Act of 1996, and must be implemented to the extent that it does not endanger just, reasonable and non-discriminatory rates, limit consumer protection, or otherwise threaten the public interest.²

Most importantly, relief from all regulations not warranted under any public interest consideration is an important part of the move toward a more competitive and efficient telecommunications market. Such reform will serve the long run interests of both consumers and the carriers who serve them.

We note that the comments received by the Commission -- by such diverse companies and organizations as AT&T, the National Exchange Carriers Association (NECA), and the United States Telephone Association (USTA) -- were overwhelmingly supportive of the various reforms as proposed by the Commission in the NPRM in this proceeding.³ While not every commenting party discussed every proposed report elimination or reduction in filing frequency, CSE Foundation recommends that the Commission enact all reforms as presented.

¹ Executive Office of the President, Office of Management and Budget, Memorandum for Heads of Executive Departments and Establishments, October 18, 1993.

² Telecommunications Act of 1996, Sec. 401(a).

³ All references to "NPRM" refer to this proceeding.

Divestiture Related Reports

CSE Foundation urges the Commission to promptly eliminate the three reports cited in the NPRM relating to divestiture: the Equal Access Progress Report, the Construction Budget Summary, and the National Security and Emergency Preparedness Effectiveness reports. These reports were designed to assist the Commission in its oversight of the transition following the AT&T divestiture in 1984, and to identify and guard against problems related to service. Twelve years later, these reports supply information that is unnecessary, and their goals have largely been met.

Equal access provides a good example of a goal that has largely been met. Bell Operating Companies filing comments in this proceeding offer equal access at all or nearly all of their end offices. As the NPRM observes, approximately 98 percent of the nation's lines had been converted to equal access as of 1994.⁴ This is a significant increase over the 86 percent of all lines that had equal access in 1989, just five years prior to this estimate.⁵ With 98 percent of all lines offering equal access, and with this estimate likely to rise for 1995 and subsequent years, this goal should be considered accomplished. The reports estimating this and similar data have thus outlived any usefulness they may have had and should be promptly eliminated.

⁴ NPRM, Para. 5.

⁵ Ibid.

Other Reports

The Commission also requests comments on a number of other reports required of local and interexchange carriers, and suggests eliminating the following: AT&T Customer Premises Equipment (CPE) Installation and Maintenance Report; AT&T Service Quality: Equipment Blockage and Failure Report; AT&T Nondiscrimination Report for Enhanced Services Providers; BOC Customer Premises Equipment (CPE) Installation and Maintenance Report; BOC Customer Premises Equipment Affidavits for Non-Discriminatory Provision of Network Maintenance; BOC Sales Agency Program and Vendor Support Program Report, Billing and Collection Contracts; Circuit Report; Record Carrier Letter; and Report on Inside Wiring Services.

CSE Foundation recognizes that these reports have minimal usefulness at the same time that they impose significant accounting burdens on the affected providers. We note that, to a great extent, regulatory burdens that inflict costs on telecommunications carriers usually get passed on to ratepayers. Thus, in the absence of some immediate concern for consumer welfare -- a concern the Commission has notably not raised -- these reports should be eliminated.

Reduction of Reporting Frequency

The Commission also requests comments on the proposal to reduce the frequency of six required reports: ARMIS Service Quality Report 43-05; Rate of Return Report; Joint Board Monitoring Program - Pooling; New Service Tracking Report; Payphone Compensation; and Report of Unsecured Credit to Political Candidates. Under the

Commission's proposed new rules, these reports would change to annual requirements from their current quarterly or semi-annual status.

CSE Foundation supports the reduced frequency of these required reports. We note that the Commission has already ordered such a change for the ARMIS Quality of Service Report,¹ in keeping with the mandates of the 1996 Act.⁶ We applaud the prompt response of the Commission in implementing this change, and urge that similar attention be given to the remaining reports. The monitoring objectives of these reports may still be accomplished with annual submissions, a point the Commission makes clear in its comments.⁷ Therefore, this proposed reform would pose no public interest threat at the same time that it would help meet the 1996 legislation's requirements for reduced regulatory burdens.

Conclusion

Citizens for a Sound Economy Foundation strongly recommends the adoption of the proposed changes in reporting requirements discussed above. Unnecessary and burdensome requirements serve the interest of no one -- neither the FCC (with many rulemakings and other concerns), industry (which pays many accountants for thousands of hours of service), nor consumers (who ultimately pay for the majority of any regulation). Elimination of such burdens thus creates a win-win-win situation at the same time that it fulfills the forbearance

¹ "In the Matter of Revision of Filing Requirements and Implementation of Section 402(b)(2)(B) of the Telecommunications Act of 1996: Annual ARMIS Reports," CC Dkt. No. 96-23, Order DA 96-381 (released March 20, 1996).

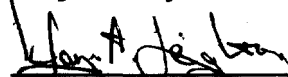
⁶ Telecommunications Act of 1996, Sec. 402(b)(2)(B).

⁷ NPRM, Para. 16-20.

requirements of the new legislation.

CSE Foundation also stresses that the Telecommunications Act of 1996 requires biennial review of the opportunities for regulatory forbearance.⁸ We consider such regular review to be an integral part of the new legislation, and note that the reforms discussed above offer what should be only the first steps along the road to reform. Such efforts will do more than help implement the new legislation; they will help create the less-regulated, more-efficient, more-competitive market that consumers deserve.

Respectfully Submitted,



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⁸ Telecommunications Act of 1996, Sec. 402(a).